

# MANAGING ARMY POSTS:

## Tenets for the Twenty-First Century

### EXECUTIVE SUMMARY

The Army post is the Army's "home." Its land, buildings and infrastructure support soldiers and their families, sustain our mission, and showcase our values and heritage. Its location, layout and livability can help or hinder the readiness of our force. In short, the post is the **place** where Army families live, work, play and pray, and the **platform** for projecting Army combat power.

In recent years, the emphasis on "platform" has eclipsed the focus on "place" — the community that is planned, built and operated for the benefit of Army people. Funds, staff and leadership attention have been devoted mainly to other readiness priorities. Over time, the quality of most Army posts has declined significantly.

But it is now widely recognized that the quality of Army posts directly affects readiness. *The Army Vision*, published in October 1999, articulates the Army's broad goals for the twenty-first century, including rapid deployment and split-based operations, which will make the post an increasingly important "home base" for soldiers and their families.

For most Americans, Army posts **are** the Army. While they may know little about force structure and weaponry, they see our posts as parents, friends and tourists. A post's appearance and condition evoke firm attitudes about the Army's values and priorities. Similarly, foreign citizens view our posts as a reflection of our soldiers' fighting spirit and our Nation's commitment to peace.

Army posts also represent enormous financial value: their replacement cost is nearly \$220 billion — nearly twice the value of our equipment — and they consume more than \$10 billion annually, or 16 percent of the total Army budget.

Important as they are to the Army, our posts are not mainstream concerns for many decision-makers; they are secondary to other readiness priorities. To implement the new vision and meet future challenges, however, Army posts must be managed as strategic assets. They cannot be allowed to decline perpetually in the face of other priorities.

This paper, *Managing Army Posts: Tenets for the Twenty-First Century*, postulates a new philosophy and principles that elevate Army posts from a set of administrative and technical projects to a strategic management function. The twelve Tenets address the dual challenge facing today's leadership — managing the development **process** to define and implement the Army's strategy for each post, and managing the **organization** that shapes and supports the process.

### BACKGROUND

While the Tenets challenge some of the Army's current philosophies and practices, they have precedents in the Army's own past, in state and local government, in the private sector — and in other military services.

**Historic Context.** From the 1770s to the early 1900s, many Army posts were built as small, simple communities, reflecting traditional architectural themes and high-quality building standards. These older posts have stood the test of time — many are now national historic landmarks as well as functioning facilities. However, the mobilizations for both World Wars broke this long tradition, requiring rapid construction of facilities with little regard for long-term durability or aesthetics. As the Cold War progressed, “industrial” facilities were essential to accommodate a large, heavy, mechanized force, and the

**For most  
Americans,  
Army posts  
are the Army.**

Army retained far more real estate than it has ever needed, even during Vietnam. The fiscal drag from maintaining these assets has sent the quality of many Army posts into decline.

Until the 1990s, there was little impetus to reverse this trend. But the increased number of soldiers with families has fundamentally changed the nature of post life. Their aspirations now mirror those of most Americans: safe, appealing neighborhoods; attractive, comfortable houses; convenient shopping, recreation, and health-care services; and quality schools. Cluttered posts, utilitarian buildings, bare-bones equipment, and peeling paint will not suffice for the twenty-first century Army.

**Barriers to Success.** Reversing the decline in quality, however, will require that the Army overcome two major barriers: limited authorities to restructure Army real estate and an institutional culture that sometimes conflicts with the goal of post improvement. Four rounds of base closures have helped to reduce unnecessary post infrastructure. Further reductions are required, but it is unclear whether or when Congress will authorize them. Whatever the outcome, leaders must agree that certain posts are essential to carrying out Army missions and increase the resources flowing to those posts. Doing so will require major philosophical changes in the “fair-share,” “make-

do” culture and decentralized structure of the Army.

**The Air Force Analogy.** The Air Force demonstrates that a military service can overcome such barriers and sustain high-quality installations over time. When it separated from the Army, the Air Force inherited a number of Army posts. Over time, it has improved these bases (and built new ones) with high standards of design and construction, and fully-staffed professional organizations. It has also adopted a “whole-base community” strategy, investing heavily in housing, community facilities and support services, as well as operational facilities. Air Force leaders, like their Army counterparts, believe strongly in the importance of cohesive, on-base communities as an integral element of readiness and morale. But for nearly three decades the Air Force has been more willing than the Army to commit substantial resources and hold firm on standards, thus achieving the high-quality bases it has today.

## THE TWELVE TENETS

The twelve Tenets presented in this paper are intended to help the Army achieve its new vision by implementing a complementary vision for its posts:

*By the year 2020, Army posts will be world-class military facilities that fully support and satisfy our warfighting needs, while providing soldiers and their families with a quality of life that equals or surpasses that of their peers in civilian communities.*

These Tenets will guide Army leaders as they review, reconsider and rewrite the doctrine that governs Army posts. Each Tenet affirms practices that remain valid for the future and provokes reconsideration of long-held assumptions that may no longer be justified. Taken together, they chart a bold course for the future.

**1. Standards.** *Standards must define the quality levels and attributes of design, construction, maintenance and services for all Army posts.*

Crafting and adopting high standards for Army posts is the first step toward ensuring that the world's finest land force has the world-class military communities that are worthy of the sacrifices its soldiers make every day. Standards are characterized by close attention to detail, relentless dedication to aesthetic as well as functional qualities, and consistency in all types of facilities. They encompass every aspect of the post's built and natural environments.

To be effective, standards should define quality, service and performance levels from the user's perspective. They should also drive decisions on a life-cycle basis by evaluating facility options and weighing trade-offs between customer value and total life-cycle benefits against original and life-cycle costs. They must also have "teeth," so commanders cannot ignore or override them when other priorities emerge.

**2. Selection.** *Selection of programs and projects for resourcing, construction, maintenance and services must be based on Army-wide needs.*

Because requirements inevitably exceed resources, it is essential to have an objective, fact-based process for selecting specific posts and facilities for action on a corporate basis. The current approach — called "fair share" — spreads resources out equitably rather than strategically to fulfill Army-wide needs. This inhibits leaders and resource managers from making systematic trade-offs across unit, functional and geographic boundaries. Funds and staff are thereby dispersed over many installations and facilities, diluting their impact and consuming scarce resources in locations of little or no enduring value.

An officer of the Army Corps of Engineers (USACE), which serves as executive agent for both the Army and the Air Force, described the situation candidly: "If the Army needs five buildings but has sufficient funds to build only three, it will cheapen the product and spread the funds to achieve all five — or four and a half. Under the same conditions, the Air Force will hold firm on its

standards, build the three that are funded to its high standards, defer the other two, and try to persuade Congress and DoD to increase its funding for the others so it can build them to the same high standard."

To remedy this situation, the Army needs to classify posts and prioritize them for action according to their strategic importance. In doing so, it will need to enforce global standards and consider the "smart growth" models offered by the private sector.

**3. Strategy.** *Strategies for managing Army posts must guide all decisions on priorities, resources, projects and activities affecting the Army's mission at each location.*

The Army has an implicit strategic advantage in managing its posts by combining scope, scale and control in providing jobs and housing, schools and hospitals, playgrounds and child care centers, and all of the other facilities, services and amenities of a small city in a single, comprehensive framework of policies and resources. But this advantage is often squandered due to the lack of long-term strategies for individual posts. Few current master plans have sufficient breadth, depth and analytical rigor to qualify as strategies.

The Army should leverage its strategic advantage by developing explicit strategies for all major posts to guide long-term development, linking the following essential elements: goals, needs, standards, resources, organization, timing and controls. The strategies must be comprehensive, encompassing mission-critical operations and training facilities as well as community facilities; and flexible, to keep options open for the future.

**4. Scope.** *Commanders must embrace the entire process of managing*

---

***Standards should define quality, service and performance levels from the user's perspective.***

*Army posts, including planning, acquisition, building, operations and disposition.*

Management control and effectiveness are diluted by the Army's decentralized, "stovepipe" structure as well as the "bottom-up" planning and budgeting system. Combined with the lack of standards, the result is the uneven mix of quality and efficiency that is evident in many posts today.

In the "best practices" models pioneered by successful community develop-

## ***The Army's current approach to managing its posts is too decentralized.***

ers, managers go beyond the conventional boundaries of organizational task and function to weave planning and design, finance, construction, operations, maintenance and community governance into a single, seamless process. To create world-class posts, the Army must pursue such innovative management models, with a comprehensive management scope and integrated manage-

ment structure that embraces the total process of design, funding, construction and maintenance.

**5. Structure.** *The organization structure must integrate Army-wide strategies, standards, priorities and resources, while enabling post-level execution and actions.*

The Army's current approach to managing its posts is too decentralized. While the local commander's input obviously is essential, few commanders are either school-trained or professionally experienced in the art and science of community development and management to best know how to develop and use the post's real estate assets over time. The commander's time in post is also limited to a few years (or less). As a result, there is no direct, long-term accountability for the full develop-operate-renovate-redevelop life cycle. And when political interests are combined with entrepreneurial zeal, lower-priority posts sometimes benefit over others that have greater Army-wide priority.

The Army thus needs to differentiate between functions that are best centered in headquarters and those that are local concerns. The optimum structure is based on a "landlord-tenant" relationship in which the landlord (Secretary of the Army) has overall asset management responsibility, and each tenant (major commands, divisions, agencies, etc.) has the typical tenant's rights and responsibilities. Headquarters actions **create** and **sustain** the post's real estate quality and value. The commander's actions make efficient and effective **use** of the real estate.

**6. Sites.** *Site configurations must respect the topography and environment while capitalizing on features (e.g., waterways, vistas, open spaces) that improve "amenity value" for occupants and users.*

The Army has extraordinary advantages as a landholder. The combination of single-entity control, accessible facilities, and beautiful environments is rarely feasible in most of America. This offers great potential to create posts that not only support Army people but also inspire their service. However, the potential often goes unrealized because of the strategic and structural impediments cited earlier. To capture the full potential of post sites, they should be differentiated by density (e.g., barracks, shops, gyms) and amenities (e.g., family housing, lodging, clubs). Highlighting "amenity value" would focus development on sites that maximize natural and built environmental features, such as vistas, open space and waterways. The result would be a portfolio of sites with cohesive, user-friendly neighborhoods that capitalize on intrinsic land values.

The Army's sites are also part of its "installation legacy": the better configured and developed they are, the easier it is for local communities to absorb them in the event of base closures. Fort Jay, New York, Fort Sheridan, Illinois, and the Presidio of San Francisco are but three among many high-value assets developed by the Army that now ennoble their cities.

**7. Space planning.** *Master plans for each post must show how work space, living space, open space and cyberspace will be designed, developed and managed.*



To achieve the Army's goals, plans must address aesthetics as well as functionality, including land use, capital improvements, transportation, historic preservation, landscaping, facility design and other components. They should, for example, specify the number, type and size of housing units to be constructed or renovated and detail the type, size, location and features of amenities and supporting facilities such as schools, child development centers and recreation. They will pinpoint locations of motor pools, maintenance facilities, rail heads, airfields, firing ranges, and open land for maneuvers and other training exercises. They will describe how projects should be financed in both the long and short term, including the potential for private capital. They will show development and resource trade-offs and integrate historic property, environmental, and real estate goals. And they will detail provisions for ensuring that the installation is effectively operated, maintained and managed on a long-term basis at high levels of quality and upkeep, in accordance with new Army standards.

**8. Style.** *Designs for construction, renovation, repairs and maintenance must respect each post's dominant architectural style, and encompass site features, landscaping and interior details, as well as building exteriors.*

Style is a critical management function because it affects both people and value. Effective style adds value beyond the building's cost through increasing asset utilization and energy-efficiency, improving morale and productivity, conserving land and leveraging infrastructure. Yet very few posts now have a single, consistent style. Many reflect a hodgepodge of shapes, colors and materials on the outside; and drab, colorless, "institutional" décor on the inside. While such design decisions are often made in the name of cost and efficiency, they result in a visual impression that runs counter to the Army's history of excellence and to its vision of providing professionally and personally rewarding environments.

Managing style is a vexing challenge to most military leaders because it is subjective. But excellence in style can be achieved by careful attention to three factors: the fit of a building's exterior size and shape with neighboring buildings and the natural environment; the choice of exterior colors that complement existing colors in surrounding buildings and the natural environment; and the effective use of curbs, lighting, "street furniture" and appropriate materials. Led by the commander, users, residents and design professionals should be engaged throughout the design process to shape details and address trade-offs that will affect the post's "look and feel." Simplifying designs and standardizing models will also help buttress leaders in making design decisions.

#### **9. Skills.**

*Staffs at HQDA, MACOMs and posts must have extensive training and applied experience in large-scale community development and management.*

The Army post is one of the most complex management challenges in America. It deals not only with the organizational, financial and technical issues of a major business, but also with the subjective problems of accommodating a great number of people, who also relocate frequently. Those who develop and operate the post must be highly skilled. While the Army's facilities teams accomplish much with their limited resources, the current approach is obsessed with "low cost" and "efficiency" while residents yearn for "best value" and "effectiveness."

Headquarters, Department of the Army (HQDA) should establish a staff unit, supported by "best-in-class" consultants, to develop and monitor standards and overall Army effectiveness in building and applying the essential skills. Major commands

---

***The current approach is obsessed with cost and efficiency while residents yearn for value and effectiveness.***

(MACOMs) and major posts should add small but expert “smart-client” staff and consultant teams with creative real estate skills, including architecture and interior design, performance-based contracting, facilities management and lodging/club/dining operations to ensure that best-value solutions are implemented.

***“I won’t be promoted for running a great post or axed for running a poor one.”***

The Director of Public Works (DPW) role should be transformed as a “Director of Community Development and Management,” to advocate residents’ preferences

as well as execute balanced programs. Finally, the contracting process must be refocused to achieve better quality in contractor services on-post — especially those that directly affect post residents and users.

**10. Systems.** *Systems must apply established standards, evaluate needs, inform managers of results, and reward innovation in meeting needs.*

The present systems to support senior decision-makers at HQDA and MACOMs are cumbersome and excessively technical. Effective management systems must be developed for executing, tracking and measuring post-improvement activities at all levels to leverage leaders’ time and organizational skills. First, performance measures should include both qualitative and quantitative measures of output. Second “Value Analysis” needs to be systematized and performed for every major post project at both the early design stage and the detailed drawing and contracting stage. Third, the Installation Status Report (ISR) system must be simplified for senior management evaluation and planning to focus on activity-based cost data and performance metrics, which now require special studies. Finally, the officer personnel management system must reward excellence in post management and quality-of-life activities, and sanction underperformance. As one installation commander observed, “I won’t be

promoted for running a great post or axed for running a poor one.”

**11. Stewardship.** *Stewardship of the natural, cultural and built environments must infuse the planning and execution of operational missions as well as the community development and management strategy for each post.*

Operations and training entail heavy compliance costs and must be controlled under exacting standards. Numerous contaminated sites are expensive and difficult to clean up. The Army’s huge stock of historic buildings must be well-utilized and preserved but is costly to maintain. Because activities affect nearby communities, the Army’s stewardship responsibilities also reach beyond post boundaries and involve an important public trust.

A sense of stewardship for the environment must be imbued in all who use, manage and maintain Army posts. Science, technology and risk-management concepts should be applied intensively to land clean-up and restoration for training, recreation and other uses. Development should conserve natural contours and features in every site plan. Historic properties must be preserved and re-used to conserve capital, enhance the dignity of the post, and help promote a sense of community. Buildings should be designed for energy conservation and beauty as well as function. As Winston Churchill declared, “We shape our buildings and they shape us.”

**12. Sustainment.** *Sustainment must be achieved by commanders, staff, partners and contractors who define Army policies and practices through the choices they make.*

Sustainment requires institutionalizing the philosophy and ideas of quality of life among Army leaders, staff groups, agents and contractors, through training in awareness and technique. Partnering with the private sector will also help institutionalize the doctrine and methods that drive sustainment. As with safety and health, all soldiers should ultimately recognize the qualities of efficient, livable posts and understand their individual roles in sustaining them, from appreciating

harmonious buildings and appealing landscapes to protecting land, water and air.

## TOWARD A NEW FISCAL MODEL

As the Chief of Staff has observed, ideas without resources are illusions. Many of the ideas and actions embodied in these Tenets can be implemented with existing resources through the Planning, Programming, Budgeting and Execution System (PPBES). To do so, strong, vigorous, creative support from the Army leadership — both civilian and military — will be essential. At the same time, the Army needs to pursue a fresh, long-term strategy — one that maximizes its use of current resources and seeks new authorities to unlock the value in Army assets and operations.

**Implementing the Tenets Through PPBES.** Within the PPBES, the Army's planning guidance should set the stage by promoting the development and application of global **standards**, and clearly delineating how they will be formulated and approved. The Army's planning guidance should announce the new principle of program and project **selection**; the specifics of how priorities are set should be outlined in the Army Program Guidance Memorandum (APGM). While the broad principles of **strategy** will be outlined in the Army's planning guidance, further explication will be made in a joint OASAIE/ACSIM document to assist those responsible for preparing the Program Objectives Memorandum (POM).

Taken together, these actions begin to broaden the **scope** through which leaders embrace the entire process of managing Army posts. Army leaders in HQDA and the MACOMs must carry through this holistic view as the details of the Budget are confirmed, and in monitoring the Execution of projects. While **structural** changes cannot be implemented through the PPBES, other changes to this system will lay the foundation for future changes by the central leadership through the attention and direction they provide. Army leaders can also reinforce the **sites, space planning** and **style** Tenets

through careful selection of the issues on which they focus, especially during the Execution stage.

**Skill** development should be explicitly addressed in the Defense Planning Guidance, the Army's planning guidance and the APGM. Beginning with the FY02-07 Program, OASAIE should spearhead development of the **systems** necessary to monitor effective Execution. While **stewardship** must be enunciated as a principle in the planning documents, following through on that principle is part of monitoring Execution of Army installation plans.

**Sustainment** is likewise part of successful Program Execution. But the concepts and actions that facilitate sustainment should be identified in the Army's planning guidance, fed back from successful Execution case examples and "best practices."

### Maximizing Current Resources.

The Army must take several other actions now to decrease and avoid the current costs of operating and improving posts. First, reversing the mindset that new requirements need new buildings will avoid some of the high costs of construction and long-term operation by better utilizing and/or redeploying current facilities. More informed and acute consciousness of design will build increased flexibility into new facilities, to ensure that they remain useful as missions and requirements change.

In addition, the Army must amplify programs aimed at leveraging Army real estate. The Residential Communities Initiative (RCI) will help the Army capture some of the economic value that is created by the development and facilities management process. The Army's real estate advisors for RCI estimate that the three pilot projects alone will realize more than \$800 million in savings over 50 years. If the RCI tech-

---

***As Winston Churchill declared, "We shape our buildings and they shape us."***

niques were extended to all posts with active local real estate markets, and other types of facilities with local-market counterparts, the Army would be able to recapitalize much of each post's generic facilities inventory with private investment.

Another initiative — Value Improvement Program (VIP) — is being launched by OASAIE in FY00 to improve the value the Army receives from its facilities construction and operations dollars. When buildings are designed to balance user and technical considerations with full knowledge of life-cycle costs and benefits, they are usually simpler and cheaper to construct and operate. The VIP process will be applied in the FY02-07 POM.

#### **New Authorities to Unlock Value.**

The Assistant Chief of Staff for Installation Management (ACSIM) estimates the bill for upgrading, replacing and building facilities to currently acceptable standards at \$41 billion. The Army clearly will not receive new funding of such magnitude. Beyond the PPBES and other initiatives to maximize current resources, further improvements will depend on the Army's ability to unlock the value in its installation assets and operations. This requires structural reform.

Under current authorities, the Army's fiscal model limits the value it can create from holding, developing and operating its posts. Several factors influence this situation, including a fiscal structure that does not allow for long-term capital budgets, a short-term planning and budgeting cycle, lack of authority to reinvest savings on post, strict limits on activities to monetize or redeploy real estate, migration of repair and maintenance funds to other priorities, the "fair share" principle, and perpetual underfunding of repairs and maintenance.

Some of these limitations will be ameliorated by implementing the Tenets through PPBES. To address the remaining factors, the Army must work cooperatively with Congress and OMB to secure expanded authorities to (1) fund new facilities and major

renovations against a long term "capital budget;" (2) reinvest savings generated from improving post management and operating efficiencies in a specific program for facilities modernization, upgrading and maintenance; (3) "trade" excess assets with developers in return for modernizing or constructing facilities; (4) extend the military housing privatization authorities to other types of on-post facilities; and (5) recapitalize the Army's huge stock of historic properties through tax incentives and a new Army Historic Properties Trust Fund. While considerable policy research and operations analysis must be done, such a strategy could probably pay the bill for implementing these Tenets in full.

\* \* \*

As we enter the twenty-first century, the Army is taking giant strides to transform its strategies, structures and processes in response to new world conditions. The Tenets presented in this paper are intended to ensure that Army posts benefit from institutional transformation. The senior leadership of the Army — both civilian and military — must support these Tenets as they are integrated into Army doctrine and policy. Linking individual actions to overarching ideals is one of leadership's most challenging tasks. But the Army has proven time and again that it can be done. The actions taken now — both institutionally and individually — will be evident in strong, attractive, livable communities for the Army's soldiers and their families in the twenty-first century and beyond.